



ANTI-BRIBERY AND CORRUPTION POLICY

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GLOSSARY

Approving Authority	:	<i>Approving authorities as prescribed in the Prokhas Authority Manual.</i>
Board	:	<i>Board of Directors (of the Company)</i>
CBE	:	<i>Code of Business Ethics</i>
Company/Prokhas	:	<i>Prokhas Sdn Bhd and its subsidiaries.</i>
DCCE	:	<i>Directors' Code of Conduct and Ethics</i>
Integrity Pact	:	<i>Multi-party agreement entered into by parties seeking to procure goods and services of significant value to govern compliance to particular terms.</i>
MACC Act 2009	:	<i>Malaysian Anti-Corruption Commission Act 2009 (Act 694)</i>

1.0 POLICY STATEMENT

- 1.1 Prokhas Sdn Bhd and its subsidiaries (“Prokhas” or “Company”) are committed to embracing the principles of ethical conduct, integrity and accountability in all of our business activities and operations. This is consistent with the Company’s corporate core values of Caring, Excellence, Teamwork and Integrity.
- 1.2 Prokhas has zero-tolerance towards any form of bribery and corruption by any of its Board of Directors (“Board”), employees or any persons acting on behalf of the Company.
- 1.3 The Board and Senior Management are committed to acting professionally, fairly and with integrity in all the Company’s business dealings and relationships by implementing and enforcing effective and robust procedures to prevent, monitor and eliminate any form of bribery and corruption. The Prokhas Code of Business Ethics (“CBE”) shall apply throughout the Company whilst the Directors’ Code of Conduct and Ethics (“DCCE”) or similar document shall apply to all directors of the Company. This reflects our commitment to fight any corrupt and unethical practices in the course of conducting our business activities and operations.
- 1.4 The Board, employees and others acting for and on behalf of Prokhas are strictly prohibited from directly or indirectly soliciting, accepting or offering bribes in relation to Prokhas’ businesses and operations. The Board and all employees are expected to observe the DCCE and the Prokhas CBE respectively in upholding zero tolerance towards bribery and corruption.
- 1.5 Prokhas is also committed in providing avenues for the Board, all employees and members of the public to make reports on any improper conduct within Prokhas, which is governed by the Company’s Disclosure Escalation Policy (Whistleblowing Policy).
- 1.6 Prokhas is bound by the laws of Malaysia, in particular the Malaysian Anti-Corruption Commission Act 2009 (“MACC Act 2009”), including any amendment and / or subsidiary legislations thereto. We will also adhere to all laws relating to anti-bribery and corruption in all the jurisdictions in which we operate.
- 1.7 The Company is committed to fight any corrupt and unethical practices in the course of conducting our business activities and operations and emphasises the following principles:
 - 1.7.1 Zero tolerance towards any form of bribery and corruption.
 - 1.7.2 “No Gift” Policy, subject to certain exceptions as listed in paragraph 5.1 below.
 - 1.7.3 Potential or actual conflict of interest should be immediately disclosed.
 - 1.7.4 Prokhas only deals with partners or counterparties who adhere to anti-bribery and anti-corruption policies and/or guidelines as deemed fit by the Company.

This will be implemented via execution of Integrity Pact or similar document with service providers, vendors, suppliers, contractors and/or counterparties of the Company. Where this is not possible, a general notice of similar communication in respect of the Company's anti-bribery and anti-corruption may be issued by Prokhas.

- 1.7.5 Consequence management may apply to any non-compliance (such as disciplinary action, termination of contract and / or criminal proceeding where appropriate).
- 1.7.6 The Board, employees and / or any business associates / parties engaging with the Company are expected to report any suspected misconduct or wrongdoing to their supervisor or channel it directly through the Company's Disclosure Escalation Policy (Whistleblowing Policy). The Prokhas Board and Management shall support the individual who reports in good faith. It will be dealt without fear of retaliation or reprisal.

2.0 OBJECTIVE

The Policy aims to:

- a. Prevent any form of gratification and facilitate disclosure of such occurrences in the Company;
- b. Promote standards of good corporate practices, particularly in preventing and eliminating bribery and corruption in the Company; and
- c. Safeguard and protect the Company's reputation.

3.0 SCOPE

- 3.1 This Policy applies to all employees of the Company (whether temporary, fixed-term-contract basis or permanent). Compliance will be enforced via the Prokhas Code of Business Ethics to be signed by all employees annually.
- 3.2 The Policy shall also apply to the Board, and / or Board Committee members including members of other committees established by the Board of the Company, at any level. The DCCE is to be approved and adopted by the Board.
- 3.3 Third parties such as consultants, contractors, volunteers, interns, agents, suppliers, vendors, advisors, clients, partners or any other person or persons, associated with the Company and / or performing works or services for or on behalf of the Company, would also be required to comply with the relevant parts of this Policy.
- 3.4 Any arrangements the Company makes with a third party is subject to clear contractual terms, including specific provisions relating to anti-bribery and corruption.

- 3.5 This Policy shall be read together with the Company's other approved policies, codes, manuals, procedures, guidelines, frameworks, circulars and any other document as may be issued by the Company from time to time.

4.0 DEFINITIONS

- 4.1 The words "corruption" and "bribery" may be used interchangeably but shall at all times have the same meaning ascribed to "gratification" under the MACC Act 2009 or any other Malaysian laws, including by-laws, subsequent legislations and successive legislations (if any).

- 4.2 "facilitation payment" means –

any illegal and / or unofficial payment made as an incentive for the receiver to complete some action or process expeditiously, to the benefit of the party making the payment.

- 4.3 "gratification" means—

any form of gift / reward, for the receiver to complete an action or process expeditiously or to omit from doing a required action to the benefit of party making / providing the gratification, which shall include the following :-

- (a) money, donation, gift, loan, fee, reward, valuable security, property or interest in property being property of any description whether movable or immovable, financial benefit, or any other similar advantage;
- (b) any office, dignity (awards, honours and medals), employment, contract of employment or services, and agreement to give employment or render services in any capacity;
- (c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- (d) any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;
- (e) any forbearance to demand any money or money's worth or valuable thing;
- (f) any other service or favour of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty; and
- (g) any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).

4.4 “kickback” means –

Illegal payment either in the form of money, gift, credit or anything of value that enriches a person of power or influence, who uses the power or influence to grant another individual, organisation or company favourable treatment or other improper services.

4.5 “political contribution” means -

Any contribution, made in cash or in kind, to support a political cause. Contributions in kind can include gifts of property or services, advertising or promotional activities endorsing a political party, the purchase of tickets to fundraising events, contributions to research organisations with close associations with a political party for the benefit of that political party and release of employees with pay from the employer to undertake any political activities or alternatively to stand for office.

4.6 “revolving door” means –

The employment of a person from public office to a company with the aim of exploiting his/her experience and contacts in public service for the benefit of the company.

4.7 Bribery refers to the act of offering, giving, promising, asking, agreeing, receiving, accepting or soliciting something of value or of an advantage so to induce or influence an action to gain commercial, contractual, regulatory or personal business or advantage.

4.8 Bribery is not limited to the act of offering a bribe. If an individual is on the receiving end of a bribe and they accept it, they are also breaking the law.

4.9 The Board and employees must not engage in any form of bribery or corruption, whether it be directly or indirectly through a third party (such as agents, distributor and/or family members).

4.10 For the purpose of this policy, “family or household” includes the Board and employee’s spouse(s), children (including step children and adopted children), parents, step-parents, siblings, step-siblings, grandparents, grandchildren, in-laws, uncles, aunts, nieces, nephews, cousins, and other persons who are a member of a household (*hereafter referred to as Family*). This policy shall include “relative” as defined in Section 3 of the MACC Act 2009.

5.0 PROKHAS’ BUSINESS DEALINGS

This section refers to the following areas:-

- a. Gifts, Entertainment & Corporate Hospitality;
- b. Facilitation Payments;
- c. Political Contributions;
- d. Charitable Contributions, Donations & Sponsorships; and
- e. Dealing with Public Officials.

5.1 Gifts, Entertainment & Corporate Hospitality

- 5.1.1 Prokhas adopts a “No Gift” policy whereby, subject to only certain exceptions like accepting normal and appropriate gestures of hospitality and goodwill (whether given to or received from third parties) so long as the giving or receiving of gifts, entertainment, hospitality & travel meets the following requirements:
- 5.1.1.1 Principally, it is not made with the intention of influencing the party to whom it is being given, to obtain or reward the retention of a business or a business advantage, or as an explicit exchange for favours or benefits;
 - 5.1.1.2 It is given in the name of the organisation, not in an individual’s name;
 - 5.1.1.3 It does not include cash or a cash equivalent (e.g. a voucher or gift certificate);
 - 5.1.1.4 It is of nominal value, and given at an appropriate time (e.g. giving small gifts and / or organization corporate premium items around festive seasons or as a small thank you to an organization for helping with a large project upon completion), taking into account the reason for the gift, entertainment, hospitality and travel. Nominal value is to be determined by the appropriate Approving Authority and as specified in the CBE;
 - 5.1.1.5 It is given or received openly, not secretly;
 - 5.1.1.6 It is not selectively given to a key or influential person, clearly with the intention of directly and / or indirectly influencing decision making; and
 - 5.1.1.7 It is not given to a government official or representative without the prior approval based on the Company’s Approving Authority.
- 5.1.2 Although the general principle is to immediately refuse or return such gifts, accepting a gift on behalf of the Company is allowed only in very limited circumstances as stated above. **However, in no circumstances may an employee, director or his / her family / household members accept gifts in the form of cash or cash equivalents in relation to dealings with Prokhas.**
- 5.1.3 Gifts, entertainment, hospitality & travel given and received are to be recorded, documented and appropriately reported in accordance with requirements specified in the CBE.
- 5.1.4 Travel must be for business purpose and does not involve family. In cases where it involves family, the employee has to declare to Prokhas and the third party that bear the travelling cost and, the cost and expenses incurred must be borne by the employee.

- 5.1.5 The intention behind a gift, entertainment, hospitality or travel being given or received should always be considered. If there is any uncertainty, the advice of the Head of Division or Chief Executive Officer should be sought.
- 5.1.6 No employee shall suffer demotion, penalty or other adverse consequences for refusing to pay bribes even if such refusal may result in the company losing business.

5.2 **Facilitation Payments**

- 5.2.1 Contracts should be documented and clearly identify the services or rate of commission or fees paid to agents and intermediaries and the fees must be reasonable in relation to the value of the work that is actually being done and the payment made in accordance with the appropriate procurement process and the Company's Approving Authority.
- 5.2.2 The Company does not accept and will not make any form of facilitation payments of any nature.
- 5.2.3 The Company does not allow kickbacks to be made or accepted. We recognise that kickbacks are typically made in exchange for a business favour or advantage.

5.3 **Political Contributions**

- 5.3.1 Subject to the definition on paragraph 4.5, the Company shall not make donations, whether in cash, kind or by any other means, whether directly or indirectly to support any political parties, initiatives, committees or candidates including in jurisdictions in which it does not have a presence. We recognise this may be perceived as an attempt to gain an improper business advantage.
- 5.3.2 The Company shall also ensure it does not offer employment to any officials or ex-officials ("revolving door") that it deals or previously deal with as a form of inducement to act for the benefit of the company during his official position.

5.4 **Charitable Contributions, Donations & Sponsorships**

- 5.4.1 The Company accepts and encourages the act of donating to charities as part of its corporate social responsibility initiatives, whether through services, knowledge, time or direct financial contributions (cash or otherwise). However, such initiatives must be carefully examined for legitimacy and not be made to improperly influence a business outcome.
- 5.4.2 Employees must be careful to ensure that charitable contributions and sponsorships made on behalf of the Company are not used to facilitate and conceal acts of bribery.

5.4.3 The Company will ensure all charitable donations and sponsorships made are legal and ethical under local laws, guidelines and practices, and that charitable donations and sponsorships are offered or made in accordance with the Company's Approving Authority.

5.5 Dealing with Public Officials

5.5.1 The Company does not allow the giving or receiving, directly or indirectly, of any gifts or hospitality (exceptions as specified in paragraph 5.1 above), kickbacks or gratuities to public officials.

5.5.2 Employees in their dealing with public officials require particular care and consideration. Employee must exercise more caution when working with public officials.

5.5.3 In situation where it becomes necessary to provide gift or hospitality to a public official in maintaining good business relationship, it must be made in legal and ethical manner and made in accordance with the Company's Approving Authority.

6.0 RESPONSIBILITIES

6.1 The Board, all employees and / or associates of the Company are equally responsible for the prevention, detection and reporting of bribery and other forms of corruption. They are required to avoid any activities that could lead to, or imply, a breach of this Policy.

6.2 If any Board or employee breaches this Policy, disciplinary action will be taken against the person which if found guilty may result in dismissal for gross misconduct as specified in the DCCE and the CBE respectively.

6.3 Should anyone have reasons to believe or suspect that an instance of bribery or corruption has occurred or will occur in the future that breaches this Policy, the matter is to be escalated via the Disclosure Escalation Policy (Whistleblowing) immediately.

6.4 The annual risk assessment initiated by the Risk Management Department shall include corruption risk assessment and reported to the Risk Management Committee and the Board.

6.5 Statistical reporting of all Anti-Bribery Corruption instances are to be reported to the Board on a half-yearly basis.

7.0 RECORD KEEPING

The Company shall keep detailed and accurate financial records and shall have appropriate internal controls in place to act as evidence for all payments made. We shall declare and keep a written record of the amount and reason for gifts, entertainment, hospitality and travel accepted and given, and understand that such expenses are subject to managerial review.

8.0 REVIEW OF THE POLICY

- 8.1 The Policy will be reviewed within three (3) years or when required to ensure its adequacy and operating effectiveness.
- 8.2 Internal control systems and procedures designed to prevent bribery and corruption are subject to regular audits to ensure that they are effective in practice.
- 8.3 Any change in the policy would result in consequential changes to the CBE and DCCE. Accordingly, the employees shall be notified on the approved revision to the Prokhas Code of Business Ethics whilst the corresponding revision to the Directors Code of Conduct and Ethics will be approved and adopted by the Board.

Prokhas reserves the right to amend this Policy

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